

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

SIDLEY HOLDING CORP.,

Plaintiff,

v.

MORTON RUDERMAN,

Defendant.

CASE NO. 08-CV-2513 (WHP)

**ANSWER**

MORTON RUDERMAN, by his attorneys, Mitchell Silberberg & Knupp LLP, hereby responds to the Complaint of Sidley Holding Corp. as follows:

1. With respect to paragraph 1 of the Complaint, denies knowledge or information sufficient to form a belief as to truth of the allegations relating to the nature of the action alleged to be brought against Morton Ruderman, and denies the remaining allegations contained therein.
2. Denies knowledge or information sufficient to form a belief as to truth of the allegations contained in paragraphs 2, 5, 9 and 10 of the Complaint.
3. Admits the allegations contained in paragraph 3 of the Complaint.
4. Denies each and every allegation contained in paragraphs 4, 6, 7, 8, 12, 13, 14, 15, 16, 17, 18, 20, 21, 22, 24, 25, 26, 27, 28, 29, 31, 32, 33, 34, and 35 of the Complaint.
5. With respect to paragraph 11 of the Complaint, admits only that there was a document designated "Agreement of Lease" dated May 1, 1999 and refers the Court to the terms and conditions set forth therein for the rights and obligations of

the parties thereto, and denies the remaining allegations contained in paragraph 11 of the Complaint.

**FIRST AFFIRMATIVE DEFENSE**

6. The Complaint fails to state a claim upon which relief may be granted.

**SECOND AFFIRMATIVE DEFENSE**

7. The Plaintiff has prevented the Defendant from mitigating its damages and any liability he might have pursuant to the Guaranty insofar as the Plaintiff has failed and refused to allow the Defendant to provide a tenant who is ready, willing and able to occupy the space in the place and stead of the current sub-tenant.

**THIRD AFFIRMATIVE DEFENSE**

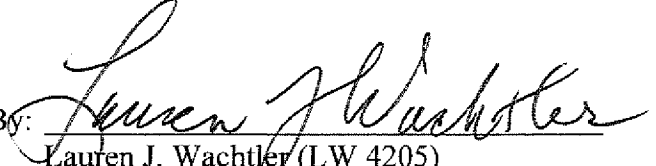
8. The Plaintiff has waived its right to pursue the Defendant on the Guaranty based on the doctrine of equitable estoppel.

**FOURTH AFFIRMATIVE DEFENSE**

9. Plaintiff's claims are barred by the doctrine of laches.

DATED: New York, New York  
April 7, 2008

MITCHELL SILBERBERG & KNUPP LLP

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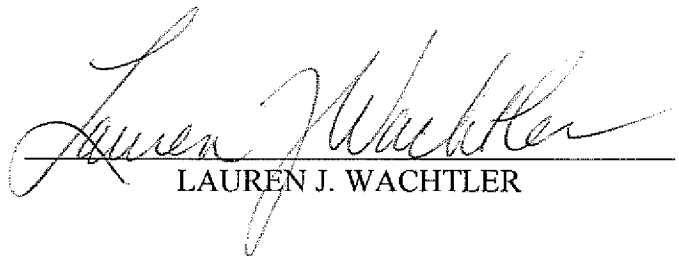
**AFFIRMATION OF SERVICE**

Lauren J. Wachtler, an attorney duly admitted to practice in the Courts of the State of New York, affirms under penalty of perjury as follows: that she is not a party to this action, is over 18 years of age and a member of the firm Mitchell Silberberg & Knupp LLP, at 12 East 49th Street, 30th Floor, New York, New York 10017-1028, attorneys for Defendant, Morton Ruderman. On April 8, 2008, she served the within ANSWER and NOTICE OF APPEARANCE upon the following via Regular Mail:

Heath B. Kushnick, Esq.  
Greenberg & Traurig, LLP  
200 Park Avenue  
New York, NY  
Attorneys for Defendants

by mailing same, in a sealed postage prepaid envelope, and placing it in an official depository of the U.S. Postal Service within the State of New York, addressed to the address designated by said attorney for that purpose.

Date: April 8, 2008  
New York, New York

  
LAUREN J. WACHTLER